

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814
(916) 323-0267



August 20, 1981

ALL-COUNTY LETTER NO. 81-88

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY DISTRICT ATTORNEYS

SUBJECT: FUNDING FOR INVESTIGATION AND PROSECUTION OF FOOD STAMP FRAUD,
PROGRAM INSTRUCTIONS

REFERENCE:

To enhance State efforts against fraud and abuse in the Food Stamp Program, the United States Congress passed Public Law 96-58. This statute makes 75 percent Federal funding available for the administrative costs associated with these efforts. In addition, the 1981 Budget Act provides for 50 percent State participation in the non-Federal share. Consequently, the new sharing ratios shall be 12.5 percent State and 12.5 percent county funds. This letter officially implements these provisions with an effective date of July 1, 1981.

Activities eligible for the 75 percent FFP are: fraud investigation, prosecution, and the appropriate indirect costs associated with these activities.

Investigation activities eligible for these funds are those directly related to clarifying an allegation of fraud against the Food Stamp Program, including but not limited to the following: interviewing suspects and witnesses; surveillance; review of case files and financial documents; warrant and subpoena service; preparation of reports; establishment and collection of claims; and attendance in court and hearings. For investigative functions, only employees with the job title "Investigator" or similar job title shall be eligible for the increased funding. All investigation cases claimed under this provision shall meet the criteria established in Chapter 20 of the Department of Social Services' regulations, and the case shall be tracked on the Fraud Activity Report, DPA 266.

If the investigations are conducted by District Attorney investigators working under a purchase of service agreement, the investigative activity and its indirect costs are now claimable for both AFDC and Food Stamp cases.

Prosecution activities eligible for these funds are as follows: the District Attorney staff's time in court; establishment of claims; preparation of suits, complaints, informations, or indictments; interviews; analysis of reports; preparation of writs, subpoenas, warrants, and summonses; and other activities directly related to the prosecution of Food Stamp crimes. Prosecution of Food Stamp cases shall not be eligible for this funding unless the case is documented in court filings as a prosecution being made or being considered by the court.

Indirect costs incurred by investigators in the County Welfare Department will be allocated to the appropriate program. Indirect costs for prosecutors and District Attorney investigators working on welfare fraud under a purchase of service agreement must be determined in accordance with A-87 requirements. Please note that prosecution time and its indirect costs are limited to Food Stamp fraud activities only.

Food Stamp fraud case activities conducted in conjunction with the AFDC Program shall have the time allocated 50 percent to the Food Stamp Program and 50 percent to the AFDC Program. The joint funding shall cease on any case where the Food Stamp portion of the activity is terminated.

All claims must be substantiated by appropriate records. Please see All-County Letter 81-69, dated July 8, 1981, for time study requirements. Instructions for claiming the administrative costs associated with Food Stamp fraud will follow under separate cover.

Funding for prosecution shall be available to the District Attorney's office only when an approved plan of cooperation between that office and the County Welfare Department exists. Attached is a recommended sample plan of cooperation.


The plans of cooperations should be submitted for approval to:

Fraud Prevention Bureau
744 P Street, M.S. 19-26
Sacramento, CA 95814

All other questions regarding program operations should also be addressed to the Fraud Prevention Bureau at (916) 920-7711 or ATSS 430-7711.

All inquiries regarding any fiscal items should be addressed to your fiscal consultant at (916) 323-0270 or ATSS 473-0270.

Sincerely.

A handwritten signature in dark ink, appearing to read 'R. E. Reich', is written over the typed name.

R. E. REICH
Deputy Director
Planning and Review
Division

Attachment

cc: CWDA

(ATTACHMENT)

PLAN OF COOPERATION AGREEMENT
BETWEEN WELFARE AGENCIES AND
DISTRICT ATTORNEY OFFICES
FOR THE PROSECUTION
OF CRIMES AGAINST
THE FOOD STAMP PROGRAM

Agreement, made and entered into this _____ day of _____, 19____.

I. Introduction

This Agreement is entered into by and between the County Welfare Department of (name of county), hereinafter referred to as CWD, and the District Attorney's Office of (name of county), hereinafter referred to as DAO, for the purpose of entering into a plan of cooperation whereby the DAO may obtain State and Federal funds through the CWD for reimbursement of certain Food Stamp fraud prosecution activities.

Agency

Agency

By (Authorized Signature)

By (Authorized Signature)

Title

Title

II. Program Provisions

For the purpose of obtaining Federal and State reimbursement for certain Food Stamp prosecution costs, the DAO agrees to:

- A. File criminal and/or civil charges when investigation reveals probable cause exists to suspect fraud against the Food Stamp Program by one or more beneficiaries of that program.
- B. To cooperate in establishing and maintaining a vigorous, viable program of Food Stamp fraud control in the county.
- C. To be subject to audit and review for compliance by any agency of the State or Federal Government involved in the administration of this program.

III. Fiscal Provisions

- A. State and Federal funding is available only for salaries and benefits of prosecutors and their staff while performing Food Stamp criminal and civil prosecutions and the appropriate indirect costs relating to these prosecution activities. These prosecution staff must prepare time studies to be used to allocate their salaries to the applicable program.
- B. Time studies must be completed on a continuous basis each day during the quarterly claiming period. Time must be recorded in fifteen minute increments according to program linkage of the area under investigation. All time studies are to be retained in the District Attorney's files for future audit purposes.
- C. The District Attorney shall determine appropriate indirect costs in accordance with A-87 (FCM 74-4) requirements.
- D. Costs must be claimed on the County Welfare Administrative Expense Claim on the DFA 325.2, Group III, B, as a direct purchase of service and identified to the appropriate program. These claims are subject to state and federal audits.
- E. In consideration of DAO's performance of the foregoing in a satisfactory manner, CWD agrees to pay DAO, monthly in arrears, upon receipt of itemized invoices in triplicate from DAO, an amount equal to DAO's cost of performance hereunder.
- F. Total payment for the term of this Agreement shall not exceed \$_____ for the prosecution of Food Stamp fraud for Fiscal Year_____.